Devaluation of rupee against dollar

1502. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether rupee has become distinctly softer against the U.S. dollar hitting very low about five months back; and

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Five months ago, i.e. at end-September 2005, the rupee stood at Rs. 43.99 per US dollar. This indicated a marginal depreciation of 05 per cent from the end-March, 2005 level of Rs. 43.75 per US dollar. While the rupee depreciated further during October-November, 2005 to reach Rs. 45.94 per US dollar at end-November 2005, it appreciated significantly thereafter, and stood at Rs. 44.44 US dollar at end-February, 2006. The movements of the rupee during 2005-06 underline flexible two-way variations and are reflective of the growing maturity of the Indian foreign exchange market.

Credit flow to agriculture

1503. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of FINANCE be pleased to state:

(a) what is the credit disbursement target set during the last three years to enhance credit flow to agriculture, year-wise; and

(b) how Government propose to achieve the additional loan of about Rs. 1,48,000 crores required during the remaining part of the Tenth Five Year Plan for achieving the total requirement of Rs. 7,36,570 crore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The agency-wise target for credit flow to agriculture and achievement during the last three years was as under:—

(Rs. in crore)

Agency	2002-03	2003-04	2004-05
Commercial Banks	27,797	32,785	57,000
Regional Rural Banks	6,508	7,245	8,500
Co-operative Banks	30,613	33,119	39,000
Total Target	64,918	73,149	1,04,500
Achievement	69,560	86,981	1,25,309

During the year 2002-03 and 2003-04 targets were set by various State Level Bankers' Committees whereas target for the year 2004-05 was set by the Government of India under programme for doubling of credit flow to agriculture.

(b) As against the total requirement of Rs. 7,36,570 crore for credit flow to agriculture under Tenth Plan, the disbursement towards agriculture credit, including investment credit and production credit, is expected to be Rs. 5,97,850 crore thereby registering a shortfall of Rs. 1,38,720 crore. Keeping in view the above, the Government has taken several initiatives including announcement on 18th June, 2004 of its intention of doubling flow of credit to agriculture in the next three years, additioning a component for consumption under Kisan Credit Card, making loans upto Rs. 50,000/-collateral free, etc.

New reporting system for banks

1504. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India is in the process of prescribing new reporting system for banks for suspicious transactions or transactions of more than Rs. 10 lakhs;

(b) if so, whether the RBI is going to make it mandatory for banks to report to Financial Intelligence Unit of India on regular basis;

(c) what are the reasons for the proposed move;

(d) whether the RBI are considering to have a revised Ombudsman for banking sector; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Under the Prevention of Money Laudering Act (PMLA), 2002, banks are required to report certain types of transactions to Financial Intelligence Unit-India (FIU-IND). These include cash transactions of value more than Rs. 10 lakhs and all suspicious tansactions.

(d) and (e) The Banking ombudsman Scheme, 2002 has recently been revised by RBI in consultation with Government of India. The new Banking Ombudsman Scheme, 2006 has come into effect from January 1,2006. The coverage of the scheme has been widened to include new grounds of complaints, such as: